

# SENATE RECORD VOTE ANALYSIS

105th Congress  
2nd Session

Vote No. 87

April 21, 1998, 2:35 pm  
Page S-3334 Temp. Record

## EDUCATION SAVINGS ACCOUNTS/Strike K-12 Education Savings Accounts

**SUBJECT:** Education Savings Act for Public and Private Schools . . . H.R. 2646. Coverdell motion to table the Glenn amendment No. 2017.

### ACTION: MOTION TO TABLE AGREED TO, 60-38

**SYNOPSIS:** As amended, H.R. 2646, the Parent and Student Savings Account PLUS Act, will enact the compromise provisions of S. 1133, as reported, on education savings accounts and other education initiatives. It will expand the recently enacted education savings account tax credit, will provide an exclusion from gross income for distributions from qualified State tuition programs, will extend and expand the current-law section 127 tax exclusion (for employer-provided education assistance), and will assist local governments in issuing bonds for school construction by increasing the small-issuer bond exemption. The bill will also enact a proposal to give school construction aid to high growth districts. In total, approximately \$6 billion in tax relief for education over the next 10 years will be provided. That cost will be more than fully offset by modifying the employer deduction for vacation pay and by changing the treatment of the foreign tax credit carryback and carryforward periods (for increased revenues of \$6.9 billion over 10 years). The education tax credit will be expanded by increasing the annual contribution limit for education IRAs from \$500 to \$2,000 for taxable years 1999 through 2002 and by changing the definition of qualified education expenses to include kindergarten through twelfth grade (K-12) expenses (the credit currently applies only to higher education expenses).

**The Glenn amendment** would strike the provisions that will allow families to use education IRAs to save their own money to provide for the K-12 education of their children as they believe appropriate. Those provisions will expand the education tax credit enacted last year by increasing the annual contribution limit for education IRAs from \$500 to \$2,000 for taxable years 1999 through 2002 and by changing the definition of qualified education expenses to include kindergarten through twelfth (K-12) grade expenses (the credit currently applies only to higher education expenses). Qualified elementary and secondary expenses will include: tuition, fees, academic tutoring, special needs services, books, supplies, the costs of computers and other equipment incurred in connection

(See other side)

YEAS (60)			NAYS (38)		NOT VOTING (2)	
Republicans (54 or 100%)	Democrats (6 or 14%)		Republicans (0 or 0%)	Democrats (38 or 86%)	Republicans (1)	Democrats (1)
Abraham	Hutchinson	Biden	Akaka	Johnson	Bennett- <sup>2</sup>	Moynihan- <sup>2</sup>
Allard	Hutchison	Breaux	Baucus	Kennedy		
Ashcroft	Inhofe	Byrd	Bingaman	Kerrey		
Bond	Jeffords	Feinstein	Boxer	Kerry		
Brownback	Kempthorne	Lieberman	Bryan	Kohl		
Burns	Kyl	Torricelli	Bumpers	Landrieu		
Campbell	Lott		Cleland	Lautenberg		
Chafee	Lugar		Conrad	Leahy		
Coats	Mack		Daschle	Levin		
Cochran	McCain		Dodd	Mikulski		
Collins	McConnell		Dorgan	Moseley-Braun		
Coverdell	Murkowski		Durbin	Murray		
Craig	Nickles		Feingold	Reed		
D'Amato	Roberts		Ford	Reid		
DeWine	Roth		Glenn	Robb		
Domenici	Santorum		Graham	Rockefeller		
Enzi	Sessions		Harkin	Sarbanes		
Faircloth	Shelby		Hollings	Wellstone		
Frist	Smith, Bob		Inouye	Wyden		
Gorton	Smith, Gordon					
Gramm	Snowe					
Grams	Specter					
Grassley	Stevens					
Gregg	Thomas					
Hagel	Thompson					
Hatch	Thurmond					
Helms	Warner					

#### EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

#### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

with school enrollment or attendance, room and board, uniforms, transportation, and supplementary items, including after school care, that are required or provided by a school for enrollment or attendance. The current age limit for contributions made on behalf of a special needs individual (age 18) will be removed, as will the requirement that all distributions must be made by age 30 for a special needs individual. The bill will also clarify that corporations and other entities will be allowed to make contributions to an individual's education IRA regardless of their income. The current-law income eligibility limits will be retained (eligibility for education IRAs phases out between \$95,000 and \$110,000 for individuals and \$150,000 and \$160,000 for married couples filing jointly). The education tax relief that will be provided by IRA provisions in this bill will be more than \$1.5 billion over 10 years.

Debate was limited by unanimous consent. After debate, Senator Coverdell moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

**Those favoring** the motion to table contended:

Our colleagues are so magnanimous. They have decided that they will let Americans save for their children's higher educations, but not for their K-12 educations. We of course favor higher-education IRAs, but the greater need by far is to help parents with their children's K-12 educations. Colleges in America are thriving, but public elementary and secondary schools all over the country are failing. The Glenn amendment has been offered on the premise that letting parents save their own money in education IRAs would cause "wealthy" children to leave public schools for private schools, thereby lessening support for public schools. The secret that our liberal colleagues never tell the American people is that the vast majority of children in private schools are not "wealthy"; they are from middle-income and lower-income families. In fact, many of them are at such low income levels that in most debates our liberal colleagues would be falling all over themselves in order to give them welfare benefits. For instance, in Catholic schools, which comprise a large percentage of the private schools in America, more than 90 percent of the kids are from families earning less than \$50,000 per year and more than 70 percent are from families earning less than \$35,000. These low-income Americans, who for purposes of this particular debate our colleagues call "rich," are making huge, heroic financial sacrifices to send their children to decent, safe, and effective private schools.

Our liberal colleagues are desperate to prevent these Americans from getting any help. Public schools are generally unionized; private schools are not. Our colleagues and their union allies are therefore embarrassed and threatened by the fact that so many low-income Americans are succeeding in private schools. At an average of one-third to one-half of the per-pupil cost, and with almost no administrative overhead, these schools are able to teach children and keep them safe. The students in many of these schools are drawn from the same socioeconomic backgrounds as the students in the surrounding and failing public schools. As long as private education is available, it exposes the lie behind the excuses that are constantly given. When unions say it is not their fault that public schools are failing because the schools need repairs, the excuse rings hollow when one finds successful private schools that are in even greater disrepair. When they say that it is because they do not have enough computers, the excuse rings hollow when there are successful private schools next door that do not have any computers. Right down the line, whether they say they need more teacher training, higher salaries, smaller classes, national testing, new teaching methods, grades on effort instead of achievement, or any other gimmick solution, the private schools stand in reproach. We do not fault public school teachers. The vast majority of them are highly trained and highly motivated, but they are hamstrung by Federal, State, and local mandates on how they must teach. The fact is, individual teachers, and individual public schools under courageous principals who resist mandates, often succeed against the odds. Allowing greater competition will help such teachers and schools.

Our liberal colleagues are also deeply offended by the fact that many of these private schools actually demand moral behavior rather than moral relativism. Shockingly, some of them even have prayers in the classroom and Bibles in their libraries. Our colleagues, along with their good friends at the ACLU, do not want to give this tax break because they know that many Americans will use the money to send their children to religious schools, which is more than they can stomach. On this point we just have a totally different opinion. We have absolutely no problem with Americans sending their children to religious schools, and many of us would like to see religion brought back into the public schools. Unlike liberals, who think that the only book that should be banned from schools is the Good Book, we think that it is unnatural and hostile to religion for the Government to divorce all expressions of faith from public education.

As our colleagues are well aware, 70 percent of the parents who use the educational IRA provisions of this bill will use them to meet public education expenses, such as by paying for after-school programs or tutors. Certainly some parents will use the provisions to get their children out of dangerous and failing schools, but we do not blame them. We, and we hope our colleagues, would do the same. Many public schools are succeeding; many are failing. The ones that are failing are failing our children and they should either be forced to reform or shut down. Failure for America's children should not be an option.

Students who go to private colleges are eligible for Federal assistance, but that fact has not diminished support for public colleges. Similarly, it would not diminish support for public schools. We have absolutely no doubt that competition will result in improvements both in public and private elementary and secondary schools, just as it has resulted in America's colleges being the best in the world. We urge our liberal colleagues to look at their own experience. Many of them send their children to exclusive

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private schools like Sidwell Friends. Have they lost interest in public schools just because they have chosen not to send their children to the District of Columbia's failing schools, which are among the worst in the country? The answer, of course, is no. We certainly do not agree with our colleagues that the solution to the problems of this country's public schools is to increase taxes and increase spending on a variety of new educational programs, but we do not doubt their desire to improve public education.

America started out with one-room schoolhouses. Parents would band together and hire a teacher. As the size of schools grew, local governments became involved and parents' control diminished. Education remained primarily a local government activity, but the size of local governments grew tremendously. Laws and regulations started to bind local schools, including from the State and national levels. Decades of social science research has consistently found that the resources provided make very little difference in a child's education; the factors that make a difference have to do with that child's family. If a child's parents are engaged--checking homework, turning off the television, making sure that the child reads regularly--then that child will do better in school. As laws and regulations choke off parents' ability to have any input into their children's educations, their participation declines. In private schools, parents' involvement is usually demanded, and kids succeed; in public schools, it is blocked by blankets of well-meaning but stifling laws and regulations. More than three-quarters of American parents read to their preschool children regularly, and more than 60 percent work with them on reading and math skills before they go to school. By the time their kids reach adolescence, though, they have been so blocked from having any influence that only one-third of parents are engaged at all.

Passing educational IRAs will help break the monopoly stranglehold that public schools have on most of the kids in America. The resulting competition will force improvements; stifling laws and regulations will be repealed, freeing public school teachers to teach and allowing parents to become actively involved. Our colleagues already have the financial means to put their children in private schools, and we do not blame them for doing so. They have proposed the Glenn amendment because they do not want to give some low- and moderate-income Americans the financial ability to do the same. The Glenn amendment would not trap rich kids in dangerous and failing schools; it would trap poor kids. We strongly urge the rejection of this amendment.

**Those opposing the motion to table contended:**

The Glenn amendment would retain this bill's expansion of the education IRA for higher education and would strike its expansion of the IRA to cover K-12 as well as college expenses. For all of the decades that we have been in Congress, the Federal Government has helped to pay for college expenses. That help has been effective, so we support giving more help. We do not support using education IRAs for K-12 expenses, though, because it is our theory that doing so would hurt public schools in this country, and would unconstitutionally help private religious schools. This theory is not just ours alone--teachers unions and the American Civil Liberties Union (ACLU) emphatically agree with us.

Public schools in this country unquestionably have a lot of problems. In total, they need \$100 billion worth of major repairs, more teachers are needed, and uniform national teaching standards are needed to improve the quality of education. There is clearly a huge need for more taxing and spending. The proposal in this bill, though, is to give rich Americans a tax break so they can put their children in private schools. According to the Joint Tax Committee, 70 percent of the benefit from this tax break will go to people who are so wealthy they are in the top 20 percent of income earners in the United States. Many of these people already have their children in private schools, and their kids are getting good educations. Why should we be giving them a tax break? The need is in the public schools, not the private schools. All this proposal will do is get more wealthy Americans to abandon public schools in favor of private schools. When the number of children in the public schools declines, support for those schools will decline as well, and they will get even worse. We will have even more of a two-tiered system of education than we now have--we will have good schools for the wealthy, and worthless schools for everyone else.

Our democracy cannot survive that result. Since its inception, the United States has demanded universal education because people cannot effectively participate in an economy or in government without knowledge. It has traditionally paid for giving that education by imposing property taxes. Originally, those taxes made sense because that is where the wealth of the nation lay, but now they make little sense because most of the country's money is tied up in corporations. As wealth has shifted, the ability of property owners to support schools has declined. They have resisted new taxes, and the quality of schools has declined as a result.

A new tax source is needed. We will not suggest having the Federal Government take over the schools and run them because we know we would be thrown out of office if we did. However, we have no qualms about giving more money to make up for the shortfall that has come from the declining value of the property tax. We support such proposals as spending Federal money on school construction or to hire new teachers because local public schools need that financial help.

They definitely do not need the Federal Government to give tax breaks to wealthy Americans in order to entice them to send their children to private schools. That result would just increase the public schools' problems. We therefore strongly urge our colleagues to support the Glenn amendment, which would strike those tax breaks from this bill.